



STATE OF IOWA

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DEPARTMENT OF HUMAN SERVICES
EUGENE I GESSOW, DIRECTOR

INFORMATIONAL LETTER NO. 766

November 26, 2008

TO: Iowa Medicaid Hospice Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise

SUBJECT: Annual Update of Hospice Rates

Medicaid Hospice Rates

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare & Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the following four levels of care:

Medicaid Hospice Rates Effective October 1, 2008 – September 30, 2009				
Revenue Code	Description	Daily Rate	Wage Component Subject to Index	Non-Wage Component
651	Routine Home Care	\$139.97	\$96.17	\$43.80
652	Continuous Home Care	\$816.94 full rate (24 hours of care) \$34.04 hourly rate	\$561.32	\$255.62
655	Inpatient Respite Care	\$144.79	\$78.37	\$66.42
656	General Inpatient Care	\$622.66	\$398.56	\$224.10

The Medicaid hospice payment rates shown above are effective October 1, 2008 through September 30, 2009. These daily hospice rates are base rates. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels.

Wage Indexes

Annual updates to the hospice wage indices were published in the Federal Register (volume 73, number 154) on August 8, 2008. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management & Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are superseded by Core Based Statistical Areas (CBSAs). For Federal Fiscal Year 2009 the full CBSA-based wage index values have been used.

Room & Board Payments

The room and board payment for hospice residents residing in nursing facilities is ninety-five percent (95%) of the associated nursing facility's rate.

Additional Information

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909 or locally at 515-725-1004 or by e-mail at: imeproviderservices@dhs.state.ia.us.